

## Gas station vapor battle in California dissipates



Don Ryan / Associated Press

Vapor recovery systems, which capture stray gas fumes and recycle them back into storage tanks, include those rubber collars you find on the pump nozzles.

A fight raged for months over a mandate for vapor recovery systems. In the end, the regulation stands and businesses have a reasonable amount of time to comply.

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No doubt it will come as a relief to all concerned that the controversy over the state's -- P-II EVR, for short -- has been mostly resolved.

About 90% of the GDFs in the state -- that's "gasoline dispensing facilities," or "gas stations" to you -- have installed their P-II EVRs or are on track to do so by the end of this year. The storm passed without too much disruption in the supply of gasoline to drivers across the state.

Indeed, it's my bet that the average California motorist hasn't the faintest idea what I'm talking about.

This is about a knock-down, drag-out fight that raged behind the scenes for months to water down what environmental authorities say is a crucial regulation to clean up the state's air, in some places still among the dirtiest in the U.S.

The battle was a distilled version of the usual game of chicken between government and business over tough but necessary regulations -- featuring inflated claims of the dire consequences of enforcement, assertions of bad faith or incompetence on either side and interference by sensation-seeking politicians.

In this case, things may have worked out for the best. The regulation stands, and the regulated businesses have been given a reasonable, but not excessive, period to comply. And the lessons learned will be applied to upcoming rounds of regulation, some of which have deadlines that are already looming.

At issue was a regulation addressing a major contributor to air pollution in California: gasoline vapor emitted when gas is pumped into storage tanks at the service station or the fuel tank in your car.

The California Air Resources Board originally ordered the state's roughly 11,000 gas stations to install vapor recovery equipment in March 2000. (The systems, which capture stray fumes and recycle them back into storage tanks, are related to those rubber collars you find on the nozzles at your neighborhood pump.)

The dealers were given five years to complete Phase I, which covered the passage of gas from tanker truck to storage tank. Phase II, covering the route from the storage tank to your car, was launched in 2005. The air board gave dealers four years, or until this April 1, to meet that standard.

With four years to get right with the air board, most dealers did the natural thing: They procrastinated. They then ran afoul of Ben Franklin's rule about procrastination: "You may delay, but time will not."

As the April 1 deadline approached, gas station owners found themselves caught between the economic downturn and the credit crunch. Thousands found themselves without access to cash or loans to pay for the work, which can run to about \$10,000 per pump.

"Some got caught in the credit crunch," Terry Dressler, director of the Santa Barbara County Air Pollution Control District, told me last week. "Some simply put it off."

There was also a logjam of equipment orders, and some dealers discovered that getting the necessary building permits from their local planning and fire departments would take weeks or months.

"There are as many stories as there are gas stations as to why they missed the deadline," says Dressler, who is also president of the California Air Pollution Control Officers Assn., or CAPCOA.

With thousands of dollars in fines facing any station that missed the deadline, the dealers enlisted their state legislators to get them a break. Senators and assemblymen started writing the air board and Gov. Arnold Schwarzenegger, agitating to put off the regulations for at least a year.

My colleague Margot Roosevelt reported in April that the fight was generating the sort of overheated rhetoric you hear from the business lobby when a costly regulation falls into its cross hairs.

The Responsible Clean Air Coalition, which is affiliated with the California Chamber of Commerce, issued a fire-breathing statement charging "zealous Sacramento bureaucrats" with scheming to put more than 6,000 gas stations out of business. (Any time you see the

word "Responsible" in the name of a group like this, brace yourself for an irresponsible claim.)

Meanwhile, a coalition of health and environmental groups mobilized to oppose a bill in Sacramento that would postpone the deadline.

"The regulations are incredibly cost-effective," says Bonnie Holmes-Gen, senior policy director of the American Lung Assn. in California, which led the defense campaign.

"We're getting hundreds of tons of pollutants out of the air every month. The public health cost of that pollution is huge in terms of asthma alerts and the health of children."

To its credit, the air board stuck to its guns, upholding the April 1 deadline even after Schwarzenegger urged it to delay.

But it did acknowledge that some missed deadlines might not have been entirely the gas stations' fault. Among other factors, the air board had approved only a single manufacturer's system until last October, when it certified a second. This forced a delay on some dealers who thought the second system would be more compatible with their old equipment, gas retailers say.

Foot-dragging at city and county halls also held up some installations. Certainly the business downturn stretched some dealers' finances to the breaking point.

"Procrastination wouldn't have created a problem if the economy hadn't done what it did," Dressler says.

As the April deadline approached, the air board and CAPCOA asked the state's 35 air districts to go easy on stations making a good-faith effort to meet the regulations.

It suggested that they limit penalties to \$1,000 for those stations; the idea was to avoid putting laggard stations out of business without awarding any of them a free pass for missing the deadline. After all, thousands of gas stations -- more than half in the state -- had fulfilled their responsibilities on time. The local districts largely agreed.

The South Coast Air Quality Management District, which covers Orange County and the metropolitan areas of Los Angeles, Riverside and San Bernardino counties, even rebated money to dealers who had been charged more.

As of last week, according to the air board, roughly 90% of all stations either had the equipment installed or had reached an agreement with their local air quality boards to get the work done by Dec. 31.

But this isn't the last big costly regulatory deadline that threatens to hit procrastinating business owners in the seat of the pants. Most gas stations face a Sept. 1 mark for installing yet another air-pollution system. A rule requiring construction firms and other commercial and industrial operations to replace outdated diesel generators kicks in Dec. 31.

Dressler says he and his fellow pollution regulators have learned a lot from the Phase II EVR affair. He says they thought they had provided enough warning for gasoline dealers about the approaching deadline, "but there's always room for improvement." For the next round of rules, they'll be issuing relentless warnings about the need to line up necessary financing and equipment orders well in advance of the last minute, for example.

"We don't want to have this sort of angst the next time," he says.

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